

**KINGSBURY GENERAL IMPROVEMENT DISTRICT  
AGENDA ITEM #10**

**TITLE:** Discussion on possible Water System Consolidation Agreement with Ponderosa Park Owners Association

**MEETING DATE:** October 20, 2020

**PREPARED BY:** Cameron McKay, General Manager

**RECOMMENDED ACTION:** Authorize staff to work with the Ponderosa Park Owners Association for the consolidation of their water system into the KGID water system and to bring back to the KGID Board of Trustees an agreement between the two parties for approval.

**BACKGROUND INFORMATION:** The Ponderosa Park Owners Association (Association) has come back and requested to have KGID assume ownership and maintenance responsibility for the park. While the water mains are not in terrible condition, the service lines are corroding and can be very difficult to access. The Association has had numerous meetings and has voted to continue with consolidation to the KGID system.

The Nevada State Revolving Fund has a program that supports this type of consolidation. While the program does not grant funds to facilitate this, they give out loans for the project and then forgive the capital payment. No interest is charged on any of the SRF loans until the project is completed essentially turning a loan into a grant.

The manner in which this would take place would be that Lumos Engineering would draft a Preliminary Engineering Report on the project and submit it to the Board for Financing Water Projects. With approval and acceptance of the PER, KGID would apply for the loan. Once the loan is approved by the Board for Financing Water Projects, Lumos would begin the design process, facilitate the competitive bid process, manage and inspect the project and complete all final paperwork to ensure KGID is the owner of the infrastructure. Any costs incurred by KGID would be included in the total cost.

The previous attempt to have this ownership change did not materialize due to the amount of funds available from the Nevada State Revolving Fund was only \$500,000. This amount has now been increased to \$1,000,000 giving the Association room to complete the project without going into debt to complete.

The Association has requested Lumos & Associates be their engineer for this project. Tim Russell will attend the meeting along with the Association attorney, Donna Zanetti and two Ponderosa Park Board members.

If agreed to continue, the next meeting of the Board for Financing Water Projects has now been moved to January 2021.

Below is a timeline suggested by Tim Russell:

1. HOA and KGID need to finalize an agreement (I believe this is in the HOA's hands to push along and get KGID a draft for review/comment and subsequent approval by the KGID board).
2. Once agreement is in place, KGID/Lumos/HOA will prepare an application to the State Board for financing water projects to fund the PER for the project (next meeting is in October so I don't know if we can make that one unless the agreement is pushed)
3. Once funded Lumos will contract with KGID to prepare the PER
4. Once PER is completed and accepted by all parties, another application to State for funding of the project will need to be prepared (date pending of when that meeting might be in the future).
5. With funding in place Lumos will contract with KGID to complete the design, bidding, etc.
6. Construction most likely 2022.

**INCLUDED:**

- Draft agreements between Ponderosa Park Owners and KGID

Fund impacted by above action:

- |  |   |
|--|---|
| <input type="checkbox"/> All Funds             | <input type="checkbox"/> Not a Budget Item  |
| <input checked="" type="checkbox"/> Water Fund | <input type="checkbox"/> Sewer Fund         |
| <input type="checkbox"/> General Fund          | <input type="checkbox"/> Snow Removal Fund  |
| <input type="checkbox"/> Not Budgeted for      | <input type="checkbox"/> Emergency Spending |